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Annual Fall Teleconference

For 2008, we will have a more expansive and more flexible set of insurance options. We have been working with Aetna, Emeriti's insurer for institutions in 48 states and the District of Columbia, to create a menu of medical (indemnity and Private Fee-for-Service) and Part D drug options.

And we have arranged with HealthPartners, Emeriti's insurer for institutions in Minnesota and their retirees residing in Minnesota, to offer a new comprehensive dental plan.

We invite you to learn more about our 2008 insurance product mix, and some additional product and service developments, at our

President's Letter

In the academy, September is a ritual moment for new beginnings. And since Emeriti works exclusively with higher education institutions, we too are gearing up for a busy new year. We are finalizing our workshop schedule to meet with active participants in the Emeriti Program about planning for their retirement health needs, and with insured retirees about the 2008 changes in Medicare and Emeriti's supplemental insurance coordinating with Medicare. As part of our educational outreach, Emeriti will also be offering special sessions this year for pre-65 employees who may be contemplating a retirement decision in the near future. .

We are also preparing for our annual fall teleconference for institutions, which is scheduled for October 5th at 3:00 Eastern Time. We hope that you will mark your calendars now. This is an important opportunity for you to learn more about the continuing enhancement of Emeriti's products and services, and to hear first-hand about new developments in Emeriti's insurance design and rates for 2008.

There is still time to declare membership in the Emeriti Program this year and take advantage of the current initialization fee of \$15,000, which will increase to \$25,000 next year. And if you have already completed your evaluation of Emeriti, it is still possible to implement the Program on your campus for a January 1, 2008 effective date if you are able to finalize plan elections and execute plan documents quickly. January 1 is an important date if you want to bring your existing retirees into Emeriti insurance, because it coincides with the annual Medicare Part D enrollment deadline prescribed by Medicare.

I also want to call your attention to some staff introductions in this newsletter. We would like you to get to know Emeriti's peer-to-peer resource team, our seven Senior Advisors, who collectively have more than 200 years of executive experience in higher education. The Senior Advisors are a wonderful repository of knowledge

annual fall teleconference on:

October 5th at 3:00 PM ET

(or October 1st at 3:00 PM CT for Minnesota institutions)

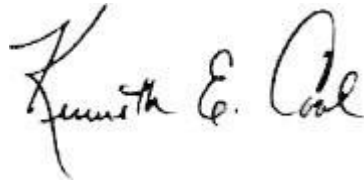
We will be sending you more information about the teleconference in the next couple of weeks.

We encourage you to mark your calendars now, and look forward to sharing these important updates with you.

about higher education practice and the multiple strategies for adapting Emeriti's defined contribution solution to a wide variety of institutional cultures. I encourage you to send any Senior Advisor an email for more information about how Emeriti can help you with your retiree health needs or visit with the Senior Advisors and Emeriti's marketing staff at one of the many Emeriti-attended association meetings listed in this newsletter. I am also very pleased to announce that Paul Schmitt, former Director of Human Resources at DePauw University, has joined Emeriti as Associate Director of Marketing. Paul has first-hand experience with the evaluation and implementation of an Emeriti Plan. He led the effort at DePauw, one of Emeriti's earliest adopters.

Emeriti is an innovative solution for sustainable retiree medical benefits for all institutions, large and small, public and private, in all parts of the country, whether your institution has a defined benefit legacy or no prior retiree benefit commitment. If you haven't taken a fresh look at Emeriti recently, invite us to provide you with an update by arranging a toll-free teleconference, setting up an appointment at a higher education association meeting, or scheduling a visit to your campus.

Sincerely,



Kenneth E. Cool
President

Declare Membership in 2007 and Pay the Lower Emeriti Initialization Fee

The one-time initialization or set-up fee, currently \$15,000, will increase to \$25,000, effective January 1, 2008. As we explained in our Spring newsletter, the true cost of the support that Emeriti provides for model plan document review, benefit plan design, prospective and transitional funding decisions, implementation support, and educational workshops, is \$25,000, rather than \$15,000, which was the fee established at the onset of the Program. Institutions that sign a Declaration of Membership in Emeriti by December 31, 2007 and commit to an implementation date of no later than January 1, 2009, can still pay the \$15,000 fee this year.

Commit now to a declaration of membership by January 1, 2009 and take advantage of the current \$15,000 fee.

Call Jolynn Oblak, Marketing Manager, at 1-866-685-6565, for more information so that Emeriti can assist you through that process.

Introducing an Important Peer-to-Peer Resource

We would like to introduce you to our team of Senior Advisors, who can talk with you about your current retiree health arrangement and how the Emeriti Program can meet your needs. All of the Senior Advisors have worked at higher education institutions, in senior finance or human resources capacities. Several also hold faculty positions. They are now associated with Emeriti on a part-time basis and would be pleased to serve as a resource in your review of the Emeriti Program.

Paul Aslanian was Vice President for Finance and Planning at Swarthmore College for 7 years, after having been Chief Financial Officer at Macalester College for 21 years. He now teaches Economics at Macalester College (email: paslanian@emeritihealth.org).

Karen Bradley was in the Human Resources area at New York University for 38 years, including 14 years as Assistant Vice President of Human Resources (email: kbradley@emeritihealth.org).

Larry Broomall retired after 19 years at Washington and Lee University as its Vice President for Finance and Treasurer (CFO). He is also former President of EACUBO and board member for NACUBO (email: lbroomall@emeritihealth.org).

Linda Cool serves as a Senior Advisor as well as Founding Director of Emeriti. Linda conducted a study on faculty attitudes and behavior since the end of mandatory retirement that led to the creation of Emeriti. She served as Vice President of Academic Affairs and Dean of the Faculty at Union College, where she is now a full professor of anthropology. She has also held senior administrative and faculty positions at Marist College and Santa Clara University (email: lcool@emeritihealth.org).

Keith Groty was Chief Human Resources Officer at Michigan State University for 30 years, and is a past president of CUPA. He is presently Professor of Labor and Industrial Relations and Assistant Vice President for Human Resources - Emeritus at Michigan State University (email: kgroty@emeritihealth.org).

Linda Herkenhoff is immediate past Director of Human Resources for Stanford University. She is now a full-time faculty member in the Graduate School of Business and Economics at Saint Mary's College of California (email: lherkenhoff@emeritihealth.org).

Grazina (Chris) Keeley was Associate Vice President for Human Resources at the University of Chicago for 7 years. Prior to that, she was Director of Human Resources Administration at Indiana University-Purdue University at Indianapolis (email: ckeeley@emeritihealth.org).

Last Call for 2007 and January 2008 Implementations

We are currently working with a number of institutions that have declared membership in Emeriti and are moving toward implementation dates of January 1, 2008 or earlier. Many of these institutions are determining their plan benefit elections, signing plan documents, finalizing prospective and transitional funding approaches, working with us on communications for their eligible employees, and setting up billing and data feeds with Fidelity, record-keeper for the Emeriti Program. All of these steps take a number of weeks and are best not rushed too much.

There is also still time to declare membership for an implementation date of January 1, 2008. Please keep in mind that if you are interested in offering Emeriti insurance to your existing retirees, enrollment for that group will need to have an effective date of January 1 each year to coincide with the Medicare Part D annual open enrollment period. Implementation of the Emeriti Program for your active employees and age-in retirees can occur at any time during the year. Enrollment for existing retirees can actually precede, coincide with, or follow the enrollment of your active employees. **If you want to implement the Emeriti Program on January 1, please call Christina Fendley, Implementation Manager, at 1-866-685-6565** for details, so that Emeriti can help you launch the implementation process right away.



Acclaris Fees to be Reduced in 2008

We are pleased to announce that the fees for reimbursement of qualified medical expenses (the Reimbursement Benefit) from a participant's Health Account assets will be reduced beginning in 2008. The first four requests for reimbursement in each calendar year will be waived. This means that participants could collect all their expenses and submit them on a quarterly basis, thereby incurring no processing fees for the Reimbursement Benefit in a given calendar year. Thereafter, each bundled set of medical expense submitted will cost \$6. So retirees who prefer to submit requests more frequently will be charged a \$6 processing fee for each request after the first four.

Emeriti Updates

A new member of the Emeriti marketing team

It is a pleasure to announce that **Paul Schmitt** has joined Emeriti as Associate Director of Marketing. Some of you may know Paul from his position as the Director of Human Resources at DePauw University or his engagement in human resources forums nationally. Prior to his tenure at DePauw, Paul worked in the health insurance industry. Paul is looking forward to working with many of you to help you evaluate how the Program can meet your needs, whether as a replacement for an existing defined benefit retiree health plan or as a new benefit. Paul was directly involved in DePauw's adoption of the Emeriti Program, so he has valuable hands-on experience with the evaluation, consensus-building, and decision-making process at an institution, as well as funding alternatives and plan design.



Emeriti newsletter for active employees

One of the key elements of the Emeriti Program is a commitment to educate participants about the importance of individual saving on an ongoing basis for retiree health expenses. Participants need to understand the magnitude of health expenses in retirement, and they need to understand that they will have to contribute, along with their employer, toward the full costs of health care and other out-of-pocket medical expenses during retirement. Although most employers in the Emeriti Program do not require employees to contribute, virtually all have adopted the After-Tax Employee VEBA to enable tax-favored voluntary contributions. We want to be sure that participants at all ages and career stages are aware of this individual savings feature and its unique tax advantages. We also want to help prepare older participants for the types of decisions they will need to make when they retire.

In order to reach employees eligible for Emeriti more frequently than the annual on-campus workshops, we have launched a newsletter for active employees that will be sent electronically twice a year. We will send it to member institutions by email, and request that the plan administrator distribute it to employees eligible for the Emeriti Program and post it on the campus intranet.

We also have created a twice-yearly print newsletter for retirees to keep them informed about how to use the benefits available to them through the Emeriti Program and to explain any changes to the benefits and services. If you would like to see samples of either of these newsletters, please contact Jolynn Oblak at Emeriti at 1-866-685-6565

Fall Events

Emeriti will attend/or participate in the following association meetings in the coming months:

September 16- 17

**South Carolina CUPA-HR Meeting
Columbia, SC**

Attending: Barbara Perry, VP of Marketing and Membership; Larry Broomall, Emeriti Senior Advisor

September 26-27

**Association of Jesuit Colleges and Universities (AJCU) HR Conference
Chicago, IL**

Attending: Barbara Perry, VP of Marketing and Membership; Chris Keeley, Emeriti Senior Advisor

October 4- 5

**Michigan CUPA- HR Annual Meeting
Lansing, MI**

Attending: Keith Groty, Emeriti Senior Advisor; Barbara Perry, VP of Marketing and Membership

October 4th, 3:15-4:30 pm -"Impacting the Future of Your Institution with Retiree Medical Benefits."

Panelists: Keith Groty, Emeriti Senior Advisor; Chris Hanna, Vice President of Human Resources; Donald Hunkins, Vice President for Finance and Treasurer, Northwood University

October 7-10

**CACUBO Annual Meeting
Chicago, IL**

Attending: Paul Aslanian, Emeriti Senior Advisor; Barbara Perry, VP of Marketing and Membership

October 24- 26

**North Carolina CUPA-HR Meeting
Asheville, NC**

Attending: Barbara Perry, VP of Marketing and Membership

October 25th

**Minnesota CUPA-HR Fall Meeting
Northfield, MN**

Attending: Paul Schmitt, Associate Director of Marketing; Paul Aslanian, Emeriti Senior Advisor

November 4- 6

**EACUBO Annual Meeting
White Sulphur Springs, WV**

Attending: Joe Mininni, Associate Director of Marketing; Larry Broomall, Emeriti Senior Advisor

Tuesday, November 6th, 11:30 am-12:30 pm- *"Institutional Renewal: Mission Critical Objective for the Future of Higher Education."*

Panelists: Seth Patton, Vice President of Finance, Denison University; Joseph Trainor, Vice President of Finance and Treasurer, University of the Sciences in Philadelphia; Chris Van Wyck, Associate Vice President of Finance, Drew University

November 8- 11

**CUPA- HR National Conference and Expo
Baltimore, MD**

Attending: Barbara Perry, VP of Marketing and Membership; Linda Cool, Founding Director, Emeriti; Keith Groty, Emeriti Senior Advisor; Karen Bradley, Emeriti Senior Advisor; Paul Schmitt, Associate Director of Marketing

Friday, November 9th 10:15-11:30 am *"Creative Strategies in Total Compensation in the context of the three Rs: Cross Functional Perspectives on Recruiting, Retention and Retirement."*

Panelists: Barbara Butterfield, Senior Consultant, Segal Company; James "Chip" Moore, Chief Human Resources Officer, Pepperdine University; Clint Davidson, Vice President of Human Resources, Duke University; Dr. Linda Cool, Founding Director, Emeriti and former Vice President of Academic Affairs/Dean, Union College; Ed Mackay, Vice Chancellor and Treasurer, University System of New Hampshire; Dr. Keith Groty, Emeriti Senior Advisor

November 11- 13

**NASULGC Annual Meeting and Higher Education Expo
New York, NY**

Attending: Barbara Perry, VP of Marketing and Membership; Keith Groty, Emeriti Senior Advisor

*Emeriti welcomes opportunities to meet with peer groups who are coming together throughout the year and who would welcome opportunities to learn about the Emeriti Program in the context of overall retirement strategies for managing aging workforces, controlling financial costs, and offering more benefit choices and flexibilities to current and future retirees. **If you or your association would like to invite Emeriti into dialogue, please contact Emeriti's Marketing Manager, Jolynn Oblak, by email at joblak@emeritihealth.org or call our toll-free number 866-685-6565.***

Take Advantage of Emeriti's Evaluation

Services by Signing a Letter of Intent

We are happy to provide support to any institution that is interested in learning more about Emeriti or in pursuing an in-depth study of possible membership. We invite you to sign a Letter of Intent which signals your willingness to spend time on a comprehensive evaluation process to determine if the Emeriti Program can fulfill your needs. The Letter of Intent is non-binding and requires no financial commitments. In turn, Emeriti will commit appropriate resources to guide you through a series of action steps; to provide you with a customized decision-making timeline; to prepare prospective funding and transition funding models based on varying assumptions; and to work on a proposed plan design to meet the needs of your institution.

For more information about the Letter of Intent process, please call Jolynn Oblak, Marketing Manager, at 1-866-685-6565.

For more information, visit www.emeritihealth.org

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